

Strengthening the Entrepreneurial Ecosystem for Women
Senate Committee on Small Business and Entrepreneurship
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Prepared Testimony for Elizabeth Gore, Entrepreneur-in-Residence, Dell

Chairman Risch, Ranking Member Shaheen and members of the committee, good morning. It is an honor to testify before this committee on this very important issue – strengthening the entrepreneurial ecosystem for women.

Entrepreneurs are the engine that drives the world economy. Globally, startups account for approximately 70 percent of net new jobs and according to studies by both UN Women and the World Bank, if women and men equally participate in the entrepreneurial ecosystem the United States' GDP could rise by \$30 billion.

It is in the world's best interest that women entrepreneurs everywhere thrive. Women represent a significant economic opportunity for the United States and while women are starting businesses twice as fast as men, they have a disproportionately higher failure rate. Statistics show that only two percent of women entrepreneurs in the United States make over \$1 million in their companies. Additionally, women in the United States receive only seven percent of venture capital funding and are represented in only seven percent of media stories.

Over the last two and half years, I've been serving as the entrepreneur-in-residence at Dell, a company that is committed to helping women entrepreneurs succeed. During my tenure as EIR at Dell, I've had countless discussions with women entrepreneurs and learned that issues around access to capital, networks, talent and technology often stand in the way of their success. These four pillars of innovation, as we call them, are where there is the most potential for change.

At the Dell Women's Entrepreneur Network (DWEN) annual summit earlier this year, Dell announced the findings of the 2017 Women Entrepreneur Cities Index (WE Cities), which revealed how 50 top global cities are fostering high-potential women entrepreneurs. The index evaluated five important categories of a city's characteristics - capital, technology, talent, culture and markets.

According to the WE-Cities Index, New York City, the San Francisco Bay Area, London, Boston and Stockholm are the top-five cities for high-potential women entrepreneurs. However, while New York City ranked number one, its total score out of 100 was only 55 – leaving considerable room for improvement for all cities on the list.

The WE Cities Index shows the impact of local policies, programs and characteristics in addition to national laws and customs on these high-potential women entrepreneurs. This data and analysis proves that when impediments to women entrepreneurs are removed there is a dramatic uplift in a city's economic prospect. The WE Cities Index also provides a tool for entrepreneurs and policy-makers on how to improve conditions to enable businesses founded by women to thrive.

Through this research and through the numerous conversations with entrepreneurs, we've developed a suite of recommendations for both policy-makers and for business leaders and other stakeholders in the entrepreneurial ecosystem. These recommendations tie back to the four pillars of innovation and we believe these recommendations will help turn high potential women entrepreneurs into high growth women entrepreneurs.

Access to capital – we all know that tracking down funding can be a major challenge for women entrepreneurs, but it is also the most urgent item needed to foster women's entrepreneurship. Some recommendations around access to capital are:

- Incentivize individuals and organizations to invest in female owned companies.

- We must address the disproportion in Venture Capital and external funding. As I noted earlier, statistics show that only seven percent of venture capital funding goes to women. The role of bias cannot be ignored in explaining why this discrepancy exists.
- Few VCs will consciously discriminate against female-led businesses – it's quite the opposite. They want to support women-led businesses understand what other women need and want. But while the intent might be there, unconscious bias can get in the way of investing in women.
- Only about seven percent of decision-makers at U.S. VC firms are women, so most venture capitalists are making investments through a male lens.
- However if incentives exist for investing in women entrepreneurs, we can see a change in how VCs make investments.
- Modernize and grow existing government grant and loan programs, including certifications, that help women-owned businesses compete and make access to information about these programs more accessible.
 - One example of this is the 8(a) certification program through the U.S. Small Business Administration.
 - Because most VC firms are owned by men, the small percentage of women who do receive VC funding do not qualify for 8(a) certification – even though they are the owner and in control of their business.
 - Dell and a group of entrepreneurs have been working with your colleagues in the House of Representatives on a legislative fix for this issue.
- Work with innovators to create new sources of capital such as crowdfunding and impact investments.
 - There is a myriad of investment options these days from Family Wealth funds, where you can go straight to the decision-maker, angel investors who are less formulaic in their grant-giving to crowdfunding sites.
- Encourage enterprise corporations, federal departments and state/local contracts to commit to supplier diversity with a percentage of contracts being awarded to women owned business.
- Educate women about other funding options, including peer-to-peer funding, angel investments, crowdfunding, and women-focused investment groups.
 - While many business practices are taught in business schools and other educational outlets, many of the insights and skills which are needed to become a successful entrepreneur are learned outside of formal education. This presents a barrier for underrepresented groups who are not able to tap into the informal educational system.

Access to networks - for many women, getting their foot in the door is sometimes the hardest step. Women entrepreneurs and business owners are increasingly turning to each other for help. However, we can help facilitate connections by:

- Incentivizing mentorship through funding and encourage multiplier platforms such as accelerators, continuing education & training programs and facilitated networking events.
- Encouraging conscious placement of women on boards, in venture partnerships and in executive teams.
- Promoting positive success stories of female founders and business owners in the media, through conferences and leadership movements.
 - Some of the highest self-defined barriers of women entrepreneurs are mentorship and leadership training. At a basic level there is a need for women entrepreneurs to have access to and to learn from successful entrepreneurs, especially highly successful women entrepreneurs.
- Building ecosystems to support women entrepreneurs
 - Starting a company in Silicon Valley or New York City is significantly easier than in other areas of our country – like Boise.
 - We must find ways to provide the entrepreneurial ecosystem – including educational outlets as incubators, networking areas, accelerators – to women entrepreneurs in places where there is not an abundance of resources and networks.

Access to talent - finding the right talent can be a serious challenge. But by partnering with expert organizations, women entrepreneurs are better able to make logical decisions that bring their ventures to scale.

- Incorporating entrepreneurship into school curriculum and ensuring access to Science, Technology, Engineering and Mathematics education at all levels of education will provide the 21st century workforce skills needed for our innovation economy, including bringing innovations to market.

Access to Technology – No matter what industry, all women owned business are now technology companies and access to technology is critical to their ability to grow. Startups that use technology effectively create twice as many jobs, are more productive and profitable than those that don't. Women face so many hurdles when starting their own companies – but technology shouldn't be one of them.

- Through technology, we can streamline the process of registering businesses, applying for government resources, and working with strategic offices such as Patent & Trademark Office, Department of Commerce, Small Business Administration and Federal Drug Administration.
- Again, we must continue to emphasize STEM and digital literacy in public education and early training programs.
- We must also work with business leaders and educators to remove unconscious biases in the STEM fields and encourage technology training programs to end unconscious and conscious bias in government, corporations and institutions.
- Finally, we have to provide broadband access in all areas of our country.

I've spoken about the issues facing women entrepreneurs and recommendations to solve those problems. Many of the issues may sound dire and many of the recommendations may sound difficult, but I'm an optimist and I'm an optimist for many reasons.

First many people and organizations are already working to implement many of these recommendations.

- I mentioned the legislation that will soon be introduced in the House on modifying the 8(a) certification.
- Dell is helping to facilitate connections through the Dell Women's Entrepreneurs Network (DWEN). By spotlighting female entrepreneurial success and creating a supportive atmosphere, DWEN helps a group of like-minded women share best practices, build business opportunities through collaboration, explore international expansion and access new resources and technologies that support business growth.
- And something that I very proud of is the first-ever artificial intelligence platform for women entrepreneurs – Alice. Developed in partnership with Dell and Pivotal, Alice is a virtual advisor that connects women entrepreneurs in real time with resources needed to scale based on startup stage, location, industry, revenue and individual needs. Machine learning will allow Alice to predict founders' needs, guiding them to capital and ecosystems access points. Having access to this technology will allow women entrepreneurs to focus on what they do best and accelerate their strategy to take their business to the next level. And since this is a collaborative platform, everyone can help move women entrepreneurs forward.

I'm also optimistic because of this hearing today and the work that Chairman Risch, Ranking Member Shaheen, the members of this committee and other policy-makers and leaders are doing. Holding hearings and bringing to light the issues women entrepreneurs are facing and examples of what is working will go a long way in helping to flip the statistic that only two percent of women entrepreneurs in the United States reach \$1 million in revenues to 98 percent.

Women-owned businesses currently employ 7.8 million workers in the U.S. and generate \$1.3 trillion in revenue. Additionally women put 90 percent of their income back into their communities and families, therefore their success will not only benefit our economy, but will also have a positive impact on society.

Thank you Mr. Chairman and I look forward to answering the committee's questions.

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